

Minutes of the Lottery Advisory Commission  
April 21, 2006

Attendance

A meeting of the Lottery Advisory Commission (Commission) was held from 10:00 – 12:10 p.m., on Friday, April 21, 2006. Representing the Commission were Representative Kelsch (chairperson), Representative Lois Delmore, Senator Jerry Klein, Mr. Laurel Thoreson, and Ms. Darlene Watne. Representing the North Dakota Lottery (Lottery) were Mr. Chuck Keller, director; Ms. Missy Reich, administrative assistant; Ms. Julie Thompson, security officer; Mr. Scott Tarno, customer services specialist, Ms. Sheril Maragos, customer service specialist and Ms. Donna Thronson, sales and marketing specialist.

Mr. James Ferragut, and Ms. Margie Enerson representatives of H2M were present.

Approval of Minutes

Commissioner Watne made a motion to approve the minutes of the January 25, 2005, commission meeting. Representative Delmore seconded the motion. The motion passed 4-0.

Results of the new game “2by2”

Ms. Thompson provided members of the Commission (Lottery’s Audit Committee) with an overview of the new game launch of “2by2”. She indicated that the launch went very well. Commissioner Kelsch did remotes in the Bismarck/Mandan area and Mr. Keller did remotes in the Fargo area, all remotes went exceptionally well. Ms. Thompson indicated that since the new “2by2” launch on February 2, 2006, North Dakota has given out 14 \$20,000 jackpots. Ms. Thompson explained that the game is the second best Lottery game in North Dakota. She added that the reason the game is going so well is that it is daily game and odds of winning a prize are exceptional.

Results of the Powerball “Power Play 10X” Promotions

Mr. Tarno and Ms. Maragos provided members of the Commission an overview of the “Power Play 10X Promotion”. Both Mr. Tarno and Ms Maragos together conducted over 30 remotes across North Dakota in March. Both indicated that they remotes went very well and turn out was great. During the month of “Power Play 10X “ promotion the powerplay sales increased 32% - 35% over the month of March, giving the promotion month an average of over 40% in powerplay sales.

Marketing Plan for remainder of 2005-2007 biennium

Ms. Thronson provided members of the Commission an overview of the marketing plan for the remainder of the 2006-2007 biennium. The plan includes the July 4<sup>th</sup> celebration in Mandan, subscription promotion (August), participating in the North Dakota State Fair (July), 25 Millionth Ticket promotion (late summer/fall), Hot Lotto Vegas Promotion, and possible launch of one final game Cross Match (spring 2007), possible 10X promotion and a Victory Bike Promotion.

#### Update of Subscriptions

Mr. Keller provided members of the Commission an overview of the Lottery's subscription service. As of Friday, April 21, 2006, the Lottery has received about 691 subscriptions representing four month sales of \$57,746. He indicated that the Lottery plans to improve its website to enable players to more easily apply for subscriptions directly through the website by July. He also indicated that the Lottery would be adding 2by2 and Wildcard 2 for subscriptions. The committee agreed to have a subscription discount promotion during the month of November and December. This would enable a player to purchase a subscription at a lower cost.

#### Results of overall Lottery activity – sales and net proceeds

Mr. Keller provided the members of the Commission an overview of the Lottery's sales. For the fiscal year to date the Lottery has made \$17.1 million in sales. Mr. Keller indicated that the Lottery is on track to exceed the \$38.5 million for the biennium. Mr. Keller also indicated that North Dakota is ranked 3 or 4 in Power Play percentages out of the thirty participating Power ball jurisdictions.

#### Administrative Rules

Mr. Keller presented the commission .....

#### Omnibus Items

Mr. Keller provided the members of Commission an overview of the Lottery's retailer bonus program. To date, the Lottery has given \$20,500 in commissions to North Dakota retailers for selling large tier prizes.

Mr. Keller also asked the commission to give some thought on the public policy on for placement of terminals. The North Dakota Lottery retailer is to maintain \$250 a week in sales in order for them to keep their terminal. If a retailer is below that average, they are sent a letter indicating they are on probation and the Lottery will monitor their sales for 30 days.

### Adjournment

Commissioner Klein made a motion to adjourn meeting. Commissioner Thornson seconded the motion. The motion passed 5-0.

The meeting adjourned at 12:12 p.m.